

TO ALL KNOWN CREDITORS

24 December 2018

Ref: CAL/DH/AW/HOF/PCF/11.1

Direct line: +44 (0)207 1977 344

Email: hofadministrations@uk.ey.com

Dear Sirs

**HF Stores Realisations Limited (formerly House of Fraser (Stores) Limited)
(In Administration) ('the Company')**

On 10 August 2018, the Company entered Administration and A M Hudson, R H Kelly, C P Dempster and C A Lewis were appointed as Joint Administrators. The appointment was made by the Court in Scotland under the provisions of paragraph 12 of Schedule B1 to the Insolvency Act 1986 ('the Act').

I refer to the Joint Administrators' letter to all known creditors and members dated 17 August 2018 which enclosed the Joint Administrators' Statement of Proposals ('Original Proposals'). Since the Original Proposals were issued and approved, the Joint Administrators have concluded that approval for the payment of further unpaid Pre-Administration Costs for third party expenses should also be sought.

Therefore, in accordance with paragraph 54 of Schedule B1 to the Act, I attach a copy of our Statement of Administrators' Revised Proposals ('Revised Proposals'). The amendments are in respect of the following sections of the Original Proposals:

- Section 6 – Pre-Administration costs;
- Appendix F – Statement of pre-Administration costs.

It is considered that the additional unpaid pre-Administration costs meet the criteria to be paid as an expense of the Administration (subject to creditor approval), as the costs were incurred with a view to furthering the achievement of the purpose of the Administration. A summary of these additional costs is provided at Appendix B to the attached Revised Proposals.

As advised in the Original Proposals, there is no prospect of any funds becoming available to unsecured creditors of the Company, other than by virtue of the Prescribed Part. This position has not altered and I do not, therefore, propose to summon a meeting of creditors of the Company.

Instead, I enclose Notice of conduct of business by correspondence. I should be grateful if you would indicate on the form whether or not you are in favour of the revision to the Original Proposals and if you would return the completed form to me no later than the closing date of 18 January 2019.

If a valid form is not received by the closing date, the Joint Administrators will be obliged to call a meeting of creditors to consider the revision to the Original Proposals. A creditor or creditors whose debt(s) amount to at least 10% of the total debts of the company may within 5 business days from 24

December 2018 require the Joint Administrators to summon a meeting of creditors to consider the matters raised herein.

The pre-Administration costs will be agreed with the secured creditors and preferential creditors in accordance with Rule 2.39C of the Insolvency (Scotland) Rules 1986 ('the Rules'). The Joint Administrators' remuneration and Category 2 disbursements will also be agreed with the secured creditors and the preferential creditors, in accordance with the provisions of Rule 2.39(9) of the Rules.

Should you have any queries relating to this letter or any other aspect of the Administrations, please do not hesitate to my colleague, Mitchell Pears, on the above contact details.

Yours faithfully
for the Company



C A Lewis
Joint Administrator

Enc: Statement of Administrators' Revised Proposals
Notice of conduct of business by correspondence

The affairs, business and property of the Company are being managed by the Joint Administrators, A M Hudson, C P Dempster, C A Lewis and R H Kelly, who act as agents of the Company only and without personal liability.

A M Hudson is licensed in the United Kingdom to act as an insolvency practitioner by The Association of Chartered Certified Accountants. C P Dempster and R H Kelly are licensed in the United Kingdom to act as an insolvency practitioner by the Institute of Chartered Accountants of Scotland. C A Lewis is licensed in the United Kingdom to act as an insolvency practitioner by The Institute of Chartered Accountants in England and Wales.

The Joint Administrators may act as data controllers of personal data as defined by the General Data Protection Regulation 2016/679, depending upon the specific processing activities undertaken. Ernst & Young LLP and/or the Companies may act as a data processor on the instructions of the Joint Administrators. Personal data will be kept secure and processed only for matters relating to the Joint Administrators' appointment. The Office Holder Data Privacy Notice can be found at www.ey.com/uk/officeholderprivacy.

HF STORES REALISATIONS LIMITED

(formerly known as House of Fraser (Stores) Limited) (in Administration) ('the Company')

Statement of Administrators' Revised Proposals

In accordance with paragraph 54 of Schedule B1 to the Insolvency Act 1986, we, A M Hudson, R H Kelly, C P Dempster and C A Lewis, the Joint Administrators of Ernst & Young LLP, make to the creditors of the Company the following revised proposals ('the Revised Proposals') for achieving the purpose of the Administration.

As an alternative to convening a meeting of creditors to consider the revisions, we propose to conduct the business of the meeting by correspondence pursuant to Rule 2.28 of the Insolvency (Scotland) Rules 1986. Notice of conduct of business by correspondence is enclosed with this Statement of Revised Proposals.

Court information

Court name: Court of Session

Court case number: P794/18

Company information

Company name: HF Stores Realisations Limited (formerly known as House of Fraser (Stores) Limited)

Registered number: SC010677

Country of incorporation:
(if outside the UK) Scotland

Registered office address: C/O Ernst & Young LLP, Atria One, 144 Morrison Street, Edinburgh, Scotland, EH3 8EX

Trading name(s): House of Fraser, Frasers, Jenners

Details of the Administrators and of their appointment

Administrators: A M Hudson, R H Kelly, C P Dempster and C A Lewis

Date of appointment: 10 August 2018

By whom appointed: The appointment was made by the Court

Directors and secretary and their shareholdings

The table below lists the directors and secretary of the Company at the date of appointment and their shareholdings at that date.

Name	Director or Secretary	Date Appointed	Date Resigned	Current Shareholding
Yong Shen	Director	30 Jul 2018	N/A	N/A
Fei-Er Cheng	Director	30 Jul 2018	N/A	N/A
Colin D Elliot	Director	1 May 2015	8 Aug 2018	N/A
Peter G Hearsey	Director Secretary	26 Mar 2009 30 Jun 1998	N/A N/A	N/A
Nigel Oddy	Director	10 Sep 2009	23 Apr 2017	N/A
Peter T Gross	Director	10 Sep 2009	13 Apr 2018	N/A
Alex P Williamson	Director	20 Sep 2017	N/A	N/A

1. Summary of the original proposals issued to creditors on 17 August 2018 (“Original Proposals”) and deemed to be approved by creditors on 30 August 2018.

On 10 August 2018 the Company entered Administration and Alan Michael Hudson, Robert Hunter Kelly, Craig Anthony Lewis and Colin Peter Dempster were appointed to act as Joint Administrators.

The purpose of an Administration is to achieve one of three objectives:

- a. to rescue the company as a going concern;
- b. to achieve a better result for the company’s creditors as a whole than would be likely if the company were wound up (without first being in Administration); or
- c. to realise property in order to make a distribution to one or more of the secured or preferential creditors.

Following the Company entering Administration, objective b) was achieved through the completion of a sale of substantially all of the Company’s business and assets. The outcome achieved through the sale was the best available outcome for creditors as a whole in all the circumstances.

Sale of the business and assets

The Company, together with related entities, traded as House of Fraser. A sale of substantially all of the Company’s business and assets was completed on 10 August 2018 to the entities listed below, which are part of the Sports Direct group, as part of a transaction with total consideration of £90 million:

- SDI (Propco 35) Limited;
- Shelfco A2 Limited; and
- Shelfco A1 Limited.

The transaction also impacted Jam B Realisations Limited (formerly known as James Beatties Limited) and HFL Realisations Limited (formerly known as House of Fraser Limited), both related entities which also entered Administration on 10 August 2018.

Further details of the sale of the business and assets can be found in the Original Proposals dated 17 August 2018, which can be accessed at: www.ey.com/uk/houseoffraseradministration.

Future conduct of the administration

The Original Proposals stated that the Joint Administrators would continue to deal with the Administration in line with the stated objective, namely to achieve a better result for the Company’s creditors as a whole than would be likely if the Company were wound up (without first being in Administration).

Further details of the future conduct of the Administration can be found in the Original Proposals dated 17 August 2018.

Distributions to Creditors

The Original Proposals proposed that distributions would be made in the Administration to the secured creditors, preferential creditors (where applicable) and unsecured non-preferential creditors (by virtue of the Prescribed Part, where applicable).

Further details regarding the secured creditors, preferential creditors, non-preferential creditors and estimated Prescribed Part are included in the Original Proposals.

The end of the Administrations

It was proposed that if, at the end of the Administration, the Company had no property which might permit a distribution to its creditors, the Joint Administrators would send a notice to that effect to the Registrar of Companies. On registration of the notice the Joint Administrators' appointment in respect of the Company would come to an end. In accordance with the provisions of paragraph 84(6) of Schedule B1 to the Act the Company concerned will be deemed to be dissolved three months after the registration of the notice.

Remuneration

The Original Proposals gave guidance on the statutory provisions relating to Administrators' remuneration. It was proposed that, in the event that a creditors' meeting was not requisitioned and a creditors' committee was not formed, the Joint Administrators would seek to have their remuneration fixed by the secured creditors and, if applicable, the preferential creditors, in accordance with Rule 2.39 of the Insolvency (Scotland) Rules 1986. The Joint Administrators would ask for their remuneration to be fixed on the basis of time properly given by them and their staff in dealing with matters arising in the Administration.

The Original Proposals stated that details of time spent and charge out rates would be provided to the secured creditors and, if applicable, the preferential creditors, and would be made available to any other creditor upon written request to the Joint Administrators.

Disbursements

A statement of the Joint Administrators' policy for charging disbursements was included in the Original Proposals. It was proposed that, in the event that a creditors' meeting was not requisitioned and a creditors' committee was not formed, the Joint Administrators would seek the approval of the secured creditors and, if applicable, the preferential creditors, to charge Category 2 disbursements.

Payments to other professionals

The Original Proposals set out the other professionals the Joint Administrators engaged to assist them, listed below. They were chosen on the basis of their experience in similar assignments.

Name of firm	Nature of service	How contracted to be paid
Clifford Chance LLP	Legal services (England & Wales)	Time cost basis
Burness Paull LLP	Legal services (Scotland)	Time cost basis
A&L Goodbody	Legal services (Republic of Ireland)	Time cost basis
Tughans Solicitors	Legal services (Northern Ireland)	Time cost basis
Matheson	Legal services (Republic of Ireland)	Time cost basis
Pinsent Masons LLP	Legal services (Property)	Time cost basis

No fees had been paid to other professionals at the time the Original Proposals were issued.

2. Reasons for the proposed revision

The Original Proposals stated that the Joint Administrators would seek approval to the payment of unpaid pre-Administration costs totalling £850,644 (plus VAT), being the Joint Administrators' unpaid costs and unpaid third party costs, as an expense of the Administration of the Company.

Since the Original Proposals were issued and approved, the Joint Administrators have concluded that approval for the payment of further unpaid Pre-Administration Costs for third party expenses should also be sought, details of which are given in section 3 below, and Appendix B, in addition to the costs reported in the Original Proposals.

A revision of the proposals, pursuant to paragraph 54 of Schedule B1 to the Insolvency Act 1986, applies where:

- (a) an administrator's proposals have been approved (with or without modification) at an initial creditors' meeting,*
- (b) the administrator proposes a revision to the proposals, and*
- (c) the administrator thinks that the proposed revision is substantial.*

As the additional pre-Administration costs were not reported in the Original Proposals, it is now considered that this change represents a "substantial" revision. However, it should be noted that:

- the payment of pre-Administration costs is subject to its own approval process (separate to the approval of the Proposals), with approval to be sought from the secured and preferential creditors in this case;
- the inclusion of these additional costs will not change the overall approach to the Administration outlined in the Original Proposals (i.e. the purpose, conduct and exit);
and
- the inclusion of these additional costs will not change the estimated dividend prospects for unsecured creditors as set out in the Original Proposal.

On this basis, the Joint Administrators propose to revise the Original Proposals to reflect these additional costs. Following the revision, approval for the payment of the pre-Administration costs will be sought from the secured and preferential creditors of the Company in accordance with Rule 2.39 of the Insolvency (Scotland) Rules 1986.

3. Details of proposed revision to the proposals

It is proposed that the following revision should be made to the Original Proposals:

Pre-Administration costs:

The Joint Administrators are seeking approval for payment of the revised total amount of unpaid pre-Administration costs totalling £1,258,859 and €30,640 (see Appendix B, tables 1 and 2), plus VAT, being the Joint Administrators' costs and third party costs, as an expense of the Administration.

The payment of unpaid pre-Administration costs as an expense of the Administration is subject to approval under Rule 2.39C of the Rules, and not part of the proposals subject to approval under paragraph 53 of schedule B1 to the Act. This means they must be approved separately from the proposals.

A breakdown of the revised total pre-Administration costs incurred and amounts paid pre-Administration (if any) is attached at Appendix B. Further information is provided below:

- *Joint Administrators' costs*

This work commenced on 30 July 2018, and was carried out under an engagement agreement between Ernst & Young LLP and certain of the Banks dated 3 August 2018.

The costs in connection with this work total £1,041,202 (plus VAT), against which £nil has been paid to date. The Joint Administrators were previously seeking approval for payment of £843,880 (plus VAT) against these costs. Under the Revised Proposals, the Joint Administrators are now seeking a reduced sum of £728,841 (plus VAT) in line with the discount given by the other professional advisors in connection with pre-Administration fees, together with expenses of £15,147.82 (plus VAT).

- *Third party expenses*

In addition to the above, third party pre-Administration expenses in respect of legal advice have been incurred prior to the appointment by:

- A&L Goodbody (as to Irish law);
- Burness Paull LLP (as to Scottish law);
- Bryan Cave Leighton Paisner LLP (as to funding arrangements); and
- Clifford Chance LLP (as to English law).

At the request of the proposed Administrators, Clifford Chance LLP also engaged two further law firms, Matheson (as to Irish property matters) and Tughans (as to Northern Irish law).

Whilst written engagement letters with A&L Goodbody, Bryan Cave Leighton Paisner LLP, Burness Paull LLP and Clifford Chance LLP were not signed with the proposed Administrators at the time their work was undertaken, it was agreed between the parties that these firms were retained and instructed by the proposed Administrators to perform the work described further below, and their work was carried out in the expectation that a written agreement would be put in place post appointment. This situation arose due to the urgency of the situation and the volume of work that had to be carried out over a very short period of time.

Work undertaken prior to Administration

The work undertaken by the Joint Administrators and their legal advisers prior to Administration can be split into three core work streams, details of which are provided below.

i) Preparedness to be able to take the appointment as Administrators

Detailed planning in order that one or more insolvency officeholders from Ernst & Young LLP was in a state of reasonable preparedness to be able to accept the appointment as Administrator(s) of the Company.

The planning work included, but was not limited to:

- Preparing to continue to trade the business whilst in Administration, which involved:
 - advice, diligence and analysis in relation to the Company's trading, cash flow, warehousing, real property, employee and supplier ransom positions in order for the proposed Administrators to be in a position to take the appointment as Administrators and achieve the purpose of the administration;
 - gathering and understanding key contracts and trading information;
 - assessing legal & commercial leverage in connection with the above;
 - assessing the likely funding requirement for a short term trading period of up to 12 weeks, and submitting a request to obtain the required funding;
 - preparing a range of internal briefing documents for employees, to assist with the transition into trading whilst in Administration; and
 - preparing various external communications documents to provide guidance to external stakeholders (e.g. suppliers, concession operators, customers, creditors);
- Preparing a "Day 1" team to attend all trading stores and operational locations to brief employees. Due to the accelerated nature, and timing, of the sale completed to Sports Direct, which completed shortly after the Company entered Administration, this team was placed on standby in the event that a sale could not be completed in short order following the Administration appointment. Should a sale have not completed, this team would have been critical to the process of stabilising the business to trade post Administration.

ii) Sale of business and assets

Preparing for the proposed sale of the Company's business and assets through the administration process and for the purpose of, including:

- negotiating with interested parties;
- detailed negotiations with two prospective purchasers;
- drafting of the sale agreements; and
- concluding the ultimate agreement with Sports Direct.

iii) Appointment procedures

- Preparing for the Administration appointment including preparation of appointment and application documents (including affidavits).

4. Administrators' assessment of the Impact of the proposed revision upon creditors

Due to the proposed revision to the Original Proposals (see Appendix B), the Joint Administrators envisage the impact on:

- **Secured creditors** - (including super senior secured working capital facility, senior secured revolving credit facility, senior overdraft and senior secured term loan lenders ('Banks'); and holders of senior secured floating rate notes, due 2020 ('Bondholders'), to receive a **lower than expected return** compared to the Original Proposals. Other than the super senior facility, which has priority ranking, the indebtedness of the Banks and Bondholders ranks pari passu.
- **Preferential creditors – no change** is expected compared to the Original Proposals. As a result of the sale, all of the UK employees of the Company transferred to the purchaser on 10 August 2018 (all of the Ireland employees in the Dundrum store transferred on 23 October 2018 when the sale was completed). Preferential claims relate to certain claims of those employees who did not transfer to the purchaser as they had already left the business prior to Administration. Preferential creditors will be paid in full from floating charge assets in priority to the creditors secured by a floating charge.
- **Non-preferential creditors** – The Joint Administrators continue to receive claims from unsecured non-preferential creditors of the Companies. The Prescribed Part is a proportion of floating charge assets set aside for unsecured creditors pursuant to section 176A of the Act. The value of the Prescribed Part is £0.6m, being the maximum amount available to be set aside, before the costs of dealing with the Prescribed Part. **No change** is expected to the value of the funds available under the Prescribed Part as a result of the proposed revision.

5. Summary of Administrators' receipts and payments

A summary of the Administrators' receipts and payments, in respect of each of the currencies held, is attached as Appendix A for the period from 10 August 2018 to 18 December 2018, together with a summary of the trading receipts and payments arising from the trading of the Dundrum store.

It has been necessary to operate a Euro account due to the ongoing trading of the Dundrum (Republic of Ireland) store whilst the regulatory matters preventing the immediate transfer of the store under the sale agreement were resolved.

A number of suppliers were paid in USD prior to our appointment, and it was necessary to operate a USD bank account in order to recover a number of overpayments made to suppliers in that currency.

We do not anticipate any adverse impact on the Administration estate from operating separate currency accounts.

6. Other matters

Statement of Affairs

The directors have since submitted a Statement of Affairs on 6 September 2018 and Statements of Concurrence which can be found via the following website link:

<https://beta.companieshouse.gov.uk/company/SC010677/filing-history>

Should you have any queries in relation to the Revised Proposals, please contact us on hofadministrations@uk.ey.com.

For any enquiries regarding the status of the Administration, please refer to the following website link for the Letter to all known creditors (including details of the sale of business and assets) and the Original Proposals on: www.ey.com/uk/houseoffraseradministration. Further updates will be published in a progress report following the end of the first six-month accounting period in the Administration.



C A Lewis
Joint Administrator

Date: 24 December 2018

The affairs, business and property of the Company are being managed by the Joint Administrators, A M Hudson, C P Dempster, R H Kelly and C A Lewis who act as agents of the Company only and without personal liability.

A M Hudson is licensed in the United Kingdom to act as an insolvency practitioner by The Association of Chartered Certified Accountants. C P Dempster and R H Kelly are licensed in the United Kingdom to act as an insolvency practitioner by the Institute of Chartered Accountants of Scotland. C A Lewis is licensed in the United Kingdom to act as an insolvency practitioner by The Institute of Chartered Accountants in England and Wales.

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Appendix A - Administrators' receipts and payments account for the period from 10 August 2018 to 18 December 2018

	Statement of affairs GBP £	Realised To Date GBP £	Realised To Date EUR €	Realised To Date USD \$	Note
RECEIPTS					
Fixed Charge Realisations					
Business Intellectual Property	-	1,500,000.00			
Claims	-	1.00			
Concession Agreements/Other Contracts	-	2.00			
Customer Information	-	1.00			
Property	-	0.75			
Shares	-	1.00			
Goodwill	-	1.00			
Bank Interest	-	958.70			
	-	1,500,965.45			
Floating Charge Realisations					
Dundrum Trading Account	-	-	2,385,311.69		1.
Stock	68,453,097.30	84,479,052.31			
Equipment - Floating	-	2,889,137.74			
Information Technology - Floating	-	481,522.96			
Vehicles - Floating	-	1.00			
Cash in Transit	-	2,081,497.20			
Rent and Rates Refund	-	488,755.11			
Book Debts and Other Debtors	16,375,730.70	1,242,445.40		75,474.46	
Prepayments	5,171,172.00	2,433,354.42			
Property Licence Fees	-	9,659,239.21			
Funds due to Sports Direct	-	322,598.43			
Bank Interest - Floating	-	89,487.07		7.17	
	90,000,000.00	104,167,090.85	2,385,311.69	75,481.63	
PAYMENTS					
Dundrum - Bank Charges		11.38			
Landlord Payments		10,694,581.42			
Agents - Business Rates		19,069.99			
Bank Charges		174.30			
Preferential Creditors		54,016.47			
HSBC Secured Agents - Fixed Charge		1,500,000.00			
HSBC Secured Agents - Floating Charge		78,500,000.00			
Trade Creditors		14,999.97			
		90,782,853.53			
Net Receipts/(Payments)		14,885,202.77			
MADE UP AS FOLLOWS					
Cash at Bank		15,208,476.01	1,681,284.80	75,481.63	
VAT Control Account		(323,273.24)	704,026.89	-	
		14,885,202.77	2,385,311.69	75,481.63	
GBP Equivalent on 19 December 2018			2,151,381.79	59,767.26	3.

Note

1. See attached trading account in respect of the continued trading of the Dundrum store
2. Receipts and payments are stated net of VAT
3. Exchange rate taken from XE.COM

Administrators' trading account for the period from 10 August 2018 to 18 December 2018

	Trading Account EUR €
RECEIPTS	
Dundrum - Cash Sales	1,594,251.36
Dundrum - Credit Card Sales	6,173,891.14
Dundrum - Sundry Income	9,004.18
Dundrum - Rent	20,339.73
VAT Payment	341,568.42
	8,139,054.83
PAYMENTS	
Dundrum - Concession Payments	2,969,645.86
Dundrum - Misc Direct Purchases	9,618.28
Dundrum - Service Charges	82,110.15
Dundrum - Wages/Salaries	162,538.32
Dundrum - Employee Expenses	504,500.92
Dundrum - Third Party Payroll Costs	1,470.00
Dundrum - Telephone	3,124.02
Dundrum - Rates	11,686.52
Dundrum - Hire of Equipment	393.34
Dundrum - Merchant Fees & Charges	42,478.50
Dundrum - Bank Charges	5,647.11
Dundrum - Float/Coin Drops	40,900.00
Dundrum - Consumables	8,737.50
Dundrum - Miscellaneous Trading Expenses	7,221.59
Dundrum - Maintenance	542.50
Dundrum - Misc Professional Fees Tradin	55,738.39
Dundrum - Elavon Retention Monies	815,124.00
Legal Fees	141,897.70
VAT Payment	829,911.00
Bank Charges	41.93
Trade Creditors	60,415.51
	5,753,743.14
Net Receipts/(Payments)	2,385,311.69
MADE UP AS FOLLOWS:	
Cash at Bank	1,681,284.80
VAT Control Account	704,026.89
	2,385,311.69

Note

As part of the sale agreement, all trading stock was sold to Sports Direct on appointment and the Joint Administrators had to continue to trade the Dundrum store in Dublin for nearly 3 months whilst competition clearance was obtained. The gross sales during that period were c€8m. The agreement with Sports Direct ensured that we were to carry no trading risk and thus we anticipate no loss nor profit from this trading.

The discussions to agree the final trading reconciliation with Sports Direct are still ongoing and we anticipate the final trading position will be nil once the costs and expenses of trading have been settled.

Appendix B - Statement of pre-Administration costs

This is Appendix F from the Original Proposals, which has been updated to reflect the proposed revisions:

Table 1 - Sterling (£) costs incurred:

	Administrator		Other IP		Details
	Remuneration (£)	Expenses (£)	Remuneration (£)	Expenses (£)	
Time costs	728,841.39		nil	nil	Incurred by the Administrators, as outlined in the tables below
Disbursements		15,147.82			
Legal expenses		514,870.00			
Total costs incurred	728,841.39	530,017.82	nil	nil	
Paid before the Administration	(nil)	(nil)	(nil)	(nil)	
Unpaid pre-administration costs	728,841.39	530,017.82	nil	nil	
Total					<u>£1,258,859.21</u>

Table 2 - Euro (€) costs incurred:

	Administrator		Other IP		Details
	Remuneration (€)	Expenses (€)	Remuneration (€)	Expenses (€)	
Time costs	nil		nil	nil	Incurred by the Administrators, as outlined in the tables below
Disbursements		30,640.00			
Legal expenses					
Total costs incurred	nil	30,640.00	nil	nil	
Paid before the Administration	(nil)	(nil)	(nil)	(nil)	
Unpaid pre-administration costs	nil	30,640.00	nil	nil	
Total					<u>€30,640.00</u>

Pre-Administration Costs – Proposed revisions

Table 3 – Overview

Cost type	As reported in the Original Proposals (Table 4)	Costs not previously reported (Table 5)	
	£	£	€
<i>Joint Administrators’ costs</i>	728,841.39	nil	nil
<i>Joint Administrators’ expenses</i>	nil	15,147.82	nil
<i>Third party costs</i>	6,764.00	508,106.00	30,640.00
Total	£735,605.39	£523,253.82	€30,640.00

Table 4 – Pre-Administration Costs - as reported in the Original Proposals

Cost type	Amount (excluding VAT)	Description
<i>Joint Administrators’ costs</i>		
Ernst & Young LLP	<i>(Previously reported £843,880.00)</i> Reduced to £728,841.39	Contingency planning in order that insolvency practitioners from EY would be in a state of reasonable preparedness to accept formal insolvency appointments to one or more House of Fraser group companies, in the event that an insolvency filing became unavoidable. Negotiating and delivering a sale of the Companies’ business and assets; Planning for the period immediately post-Administration in order to deal with all matters effectively. Preparing for a scenario in which there was no immediate sale of the business, in order to be in a position to trade the business in Administration.
<i>Third party costs</i>		
Bryan Cave Leighton Paisner LLP	£6,764.00	Legal advice in connection with a funding agreement to enable trading (if required).
Amended total	£735,605.39	

Table 5 - Pre-Administration Costs - costs not previously reported in the Original Proposals

Cost type	Amount (excluding VAT)	Description
<i>Joint Administrators' expenses</i>		
Ernst & Young LLP	£15,147.82	Travel, accommodation, subsistence, meeting room costs and stationery in connection with pre-Administration planning work
<i>Third party costs</i>		
Clifford Chance LLP		
- Remuneration	£384,691.00	Two weeks of contingency planning and sale of business agreement
- Disbursements	€21,640.00	Matheson: Irish legal advice on property matters re the sale of business agreement
- Disbursements	£17,519.00	Tughans: Northern Irish legal advice on property matters re the sale of business agreement
- Disbursements	£10,960.00	English Counsel fees
- Disbursements	£3,378.00	Printing, meeting room costs, Companies House fees, catering
A&L Goodbody	€9,000.00	Irish employment related legal advice
Burness Paull LLP		
- Remuneration	£89,713.00	Contingency planning and sale of business agreement
- Disbursements	£1,800.00	Scottish Counsel fees
- Disbursements	£45.00	Companies House fees
Totals	£523,253.82	
	€30,640.00	

Notice of conduct of business by correspondence

Name of Company HF STORES REALISATIONS LIMITED (Formerly known as House of Fraser (Stores) Limited)	Company number SC010677
In the Court of Session Parliament House, Parliament Square, Edinburgh EH1 1RQ [full name of court]	Court case number P794/18

Notice is hereby given by A M Hudson and C A Lewis of Ernst & Young LLP, 1 More London Place, London, SE1 2AF and R H Kelly of Ernst & Young LLP, Bridgewater Place, 1 Water Lane, Leeds LS11 5QR and C P Dempster of Ernst & Young LLP, Atria One 144 Morrison Street, Edinburgh, EH3 8EX to the creditors of HF STORES REALISATIONS LIMITED (Formerly known as House of Fraser (Stores) Limited), Ernst & Young LLP, Atria One 144 Morrison Street, Edinburgh, EH3 8EX that, pursuant to paragraph 58 of Schedule B1 to the Insolvency Act 1986, enclosed is 1 resolution for your consideration. Please indicate below whether you are in favour or against the resolution.

This form must be received at Ernst & Young LLP, 1 More London Place, London, SE1 2 AF by 12.00 hours on 18 January 2019 in order to be counted. It must be accompanied by details in writing of your claim. Failure to do so will lead to your vote(s) being disregarded.

Resolution (1) That the Joint Administrators' Revised Proposals are approved I am *in Favour / Against

TO BE COMPLETED BY CREDITOR WHEN RETURNING FORM:

Name of creditor: _____

Signature of creditor: _____

(If signing on behalf of creditor, state capacity eg, director/solicitor)

If you require any further details or clarification prior to returning your votes, please contact me / us at the address above.

CA Lewis

Signed _____

Joint / Administrator(s)

Dated 24 December 2018